



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN INBEV'S ACQUISITION OF ANHEUSER-BUSCH

Divestiture Preserves Competition for Beer in Upstate New York

WASHINGTON — The Department of Justice announced today that it will require InBev N.V./S.A. to divest subsidiary Labatt USA, along with a license to brew, market, promote and sell Labatt brand beer for consumption in the United States, in order to proceed with InBev's \$52 billion acquisition of Anheuser-Busch Companies Inc. The Department said that the transaction, as originally proposed, would likely have led to higher prices for beer in the Buffalo, Rochester and Syracuse, N.Y., metropolitan areas.

The Department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

According to the complaint, Anheuser-Busch's Budweiser brands, including Budweiser and Bud Light, and InBev's Labatt brands, including Labatt Blue and Labatt Blue Light, are the two biggest selling beer brand families in Buffalo, Rochester and Syracuse. The original transaction would have eliminated competition between Labatt USA and Anheuser-Busch and resulted in higher prices to beer drinkers in those metropolitan areas.

Under the terms of the proposed settlement, InBev must sell Labatt USA and grant a license to the acquirer to brew and sell Labatt brand beer for consumption throughout the United States. The Department's Antitrust Division must approve the purchaser of Labatt USA to ensure that the sale will restore the competition for beer sales in Buffalo, Rochester and Syracuse that existed before InBev purchased Anheuser-Busch.

"This divestiture will ensure that consumers will continue to benefit from the significant competition between the merging companies in upstate New York," said Deborah A. Garza, Deputy Assistant Attorney General of the Antitrust Division.

In the large majority of markets in the United States, InBev accounts for less than two percent of beer sales and engages in very little competition with Anheuser-Busch. In contrast, sales of InBev's Labatt beer brands in Buffalo, Rochester and Syracuse account for a significant portion of beer sales. The Department concluded that in those markets, the elimination of the competition between InBev and Anheuser-Busch would have resulted in higher prices for

consumers. The proposed settlement will allow the purchaser of Labatt USA to sell the Labatt brands throughout the United States.

Anheuser-Busch, a Delaware corporation headquartered in St. Louis, is the largest brewer in the United States and accounts for approximately 50 percent of beer sales nationwide. Anheuser-Busch operates 12 breweries in the United States and the company's 2007 revenue was approximately \$16.6 billion.

Belgium-based InBev is the second-largest brewer in the world. InBev's best-selling brands in the United States are Stella Artois, Becks, Bass and Labatt Blue. InBev's total 2007 sales were approximately 14.4 billion euro. The Labatt brands are brewed in Canada by InBev's subsidiary, Labatt Brewing Company Limited, and are imported and sold in the United States by Labatt USA. Approximately half of the sales of Labatt brand beer in the United States are to customers in the Buffalo, Rochester and Syracuse metropolitan areas.

As required by the Tunney Act, the proposed settlement and the Department's competitive impact statement will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Joshua H. Soven, Chief, Litigation I Section, Antitrust Division, U.S. Department of Justice, 1401 H Street N.W., Suite 4000, Washington, D.C. 20530, 202-307-0001. At the conclusion of the 60-day comment period, the court may enter the proposed consent decree upon a finding that it serves the public interest.

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